

APPENDIX II-B

**OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
REQUEST FOR FISCAL IMPACT STATEMENT (FIS)**

FIS Number \_\_\_\_\_ Rule Number He-W 837

1. Agency Name & Address:  <b>Dept. of Health and Human Services Division of Medicaid Services 129 Pleasant St, Brown Bldg. Concord, NH 03301</b>	2. RSA Authority:	<u>RSA 126-AA</u>
	3. Federal Authority:	<u>42 U.S.C. 1315, ACA (Pub.L. 111-148), 42 U.S.C 1396(a)(10)(A)(i)(VIII)</u>
	4. Type of Action:	
	Adoption	<u>X</u>
	Amendment	_____
	Repeal	_____
	Readoption	_____
	Readoption w/amendment	_____
	Interim rule	_____
	5. Have the rules expired?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	Date Expired:	_____

6. Short Title: **NH Granite Advantage Health Care Program**

7. Contact Person:

Name:	<b>Kim Reeve, Esquire</b>	Title:	<b>Legal counsel, admin rules</b>
Address:	<b>NH Dept. Health &amp; Human Services Administrative Rules Unit 129 Pleasant St. Concord, NH 03301</b>	Phone #:	<b>271-9640</b>
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(e) Please provide the following information and attach additional sheets if necessary:

**NOTE: Pursuant to RSA 541-A:5, IV the fiscal impact of the proposed rule which was previously effective but has expired, or of a proposed rule which adopts a current agency policy, procedure or practice as a rule for the first time, shall not be assessed as an existing rule but as a proposed rule which is not yet effective.**

- (1) Summarize the intended action and the proposed rule. The intended action is defined by RSA 541-A:5, VII as the proposed adoption, amendment, readoption, readoption with amendment, or repeal of a rule pursuant to RSA 541-A.

**In 2018, Chapter Law 342, (SB 313) replaced the New Hampshire health protection program (NHHPP), which expires on 12/31/18, with the Granite Advantage Health Care Program effective on January 1, 2019. In accordance with SB 313, the Department of Health and Human Services (department) has sought a waiver from the Centers for Medicare and Medicaid Services (CMS) to implement work and community engagement requirements as a condition of**

continued eligibility under section 1902(a)(10)(A)(i)(VIII) [42 U.S.C 1396(a)(10)(A)(i)(VIII)] of the Social Security Act. The waiver from CMS is expected to be issued prior to December 1, 2018.

The department's waiver application includes a request to implement a work and community engagement requirements as a condition of eligibility in accordance with the provisions of SB 313.

The proposed new rule, He-W 837, describes the community engagement requirements for the Granite Advantage program, exemptions from the work and community engagement program, qualifying activities for community engagement, impacts of noncompliance with the community engagement requirement, and how to cure deficit community engagement hours.

- (2) Is the cost associated with this intended action mandated by the rule or by state statute? If the cost is mandated by statute, then the rule itself may not have a cost or benefit associated with it. Please state either the statute or chapter law that is instigating this rule.

**Any costs or benefits associated with this proposed rule are described in (5), (9), and (10) below. SB 313, detailed in Chapter Law 342 (2018), requires the Department to implement these requirements.**

- (3) Compare the cost of the proposed rule with the cost of the existing rule, if there is an existing rule. Please provide the methodology and any calculations used in making your determination. If there is no cost, please explain why.

**There is no existing rule.**

- (4) To the extent the proposed rule had expired, please indicate the cost of the expired rule as you do for a new rule, and if applicable, the difference in cost of any proposed change from the expired rule. Please provide the methodology and any calculations used in making your determination. If there is no cost, please explain why.

**There is no existing rule.**

- (5) Describe the costs and benefits to the state general fund which would result from this intended action.

**There is no cost to the general fund associated with these rules. Existing New Hampshire law requires all costs associated with Medicaid expansion to be funded through the special health trust fund established for that purpose. There are benefits identified in the fiscal note to SB 313 as a result of moving the newly eligible population from the federal market place to the Medicaid managed care organizations and these benefits are attributable to the statute.**

- (6) Explain and cite the federal mandate for the intended action, if there is such a mandate. How would the mandate affect state funds?)

**There is no federal mandate for this rule.**

- (7) Describe the cost and benefits to any state special fund which would result.

Costs and benefits are attributable to Chapter 342, Laws of 2018 (SB 313) which creates RSA 126-AA:3, and establishes a special fund, the Granite Advantage Health Care Trust Fund. The trust fund is to be used solely:

- to provide coverage for the newly eligible Medicaid population in Granite Advantage;
- to pay for administrative costs for the program; and
- to reimburse the federal government for any overpayments of federal funds.

The state's share of the program will be paid from the trust fund dedicated to the program. As a result of SB 313, the department has costs for development and updates to its enrollment system, online application portal, and multichannel outreach system capacity. Additionally, the department is engaged in ongoing Medicaid administration activities to establish the program, such as training and program materials. All of these costs associated with administration of the program are attributable to the statute and not this rule.

The legislature has also required the department to report to it and to the Governor by January 1, 2019 all costs associated with the verification of compliance with the work and community engagement requirement.

(8) Describe the costs and benefits to the political subdivisions of the state.

There are no known costs to the political subdivisions of the state that would result from the proposed rule. Promotion of economic self-sufficiency through employment may reduce levels of dependency on welfare programs.

(9) Describe the costs and benefits to the citizens of the state.

The department is unable, at this point in time, to evaluate any costs impacts generally to the citizens of the state aside from the use of certain tax proceeds deposited into the health care trust to fund the non-federal share of this program. Some considerations are:

- Members can be exempted from the community engagement requirements for a variety of reasons. Members may have to obtain certification of exemption from the community engagement requirements and with obtaining a disability determination. The department is unable to quantify these costs but expects these costs to be negligible.
- Members may incur costs with pursuing a disability determination to receive an automatic exemption. The department cannot quantify this cost but expects these costs to be negligible.

Additionally, CMS requires the department, as a condition of the waiver, to evaluate the impacts such as:

- Members who are subject to Community Engagement will have positive health outcomes;
- Members who are subject to Community Engagement enrolled will obtain sustained part-time and full-time employment; and
- Members who are subject to Community Engagement will gain or maintain access to employer-sponsored coverage or individual market coverage.

Benefits to the citizens of the state will include beneficiaries experiencing improved health and well-being as a result of Medicaid coverage, and their participation in the community engagement activities should lead to improved health outcomes, financial stability, and greater independence through improved health and wellness.

- (10) Describe the costs and benefits to any independently owned business, including a description of the specific reporting and recordkeeping requirements upon those employing fewer than 10 employees.

**There are no costs or benefits to independently owned business.**